



General Assembly

February Session, 2004

Amendment

LCO No. 4944

SB0059204944SD0

Offered by:

SEN. SULLIVAN, 5th Dist.
SEN. LOONEY, 11th Dist.
SEN. WILLIAMS, 29th Dist.
SEN. FONFARA, 1st Dist.
SEN. COLEMAN, 2nd Dist.
SEN. LEBEAU, 3rd Dist.
SEN. HANDLEY, 4th Dist.
SEN. DEFRONZO, 6th Dist.
SEN. CIOTTO, 9th Dist.
SEN. HARP, 10th Dist.
SEN. GAFFEY, 13th Dist.

SEN. HARTLEY, 15th Dist.
SEN. MURPHY, 16th Dist.
SEN. CRISCO, 17th Dist.
SEN. PRAGUE, 19th Dist.
SEN. PETERS, 20th Dist.
SEN. FINCH, 22nd Dist.
SEN. NEWTON, 23rd Dist.
SEN. MCDONALD, 27th Dist.
SEN. COLAPIETRO, 31st Dist.
SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. 592

File No. 555

Cal. No. 410

"AN ACT CONCERNING THE INCOME TAX AND THE ESTATE TAX."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 12-390a of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage and*
5 *applicable to transfers and distributions occurring on or after January 1,*
6 *2005*):

7 [The] For purposes of this chapter, the terms "generation-skipping
8 transfer", "taxable distribution", and "taxable termination" have the
9 same meaning as defined in Chapter 13 of Subtitle B of the Internal
10 Revenue Code of 1986, or any subsequent corresponding internal
11 revenue code of the United States, [as from time to time amended] in
12 effect as of January 1, 2001.

13 Sec. 2. Section 12-390b of the general statutes is repealed and the
14 following is substituted in lieu thereof (*Effective from passage and*
15 *applicable to transfers and distributions occurring on or after January 1,*
16 *2005*):

17 (a) A tax is hereby imposed upon every generation-skipping
18 transfer, where the original transferor is a resident of this state at the
19 date of the original transfer. The amount of the tax shall be the amount
20 of the federal credit allowable for generation-skipping transfer tax paid
21 to any state under the provisions of the federal internal revenue code
22 [in force at the date of such generation-skipping transfer] in effect as of
23 January 1, 2001, in respect to any property included in the generation-
24 skipping transfer. If any such property is real or tangible personal
25 property located outside this state and is subject to generation-
26 skipping transfer taxes by any state or states other than the state of
27 Connecticut for which such federal credit is allowable, the amount of
28 tax due under this section shall be reduced by the lesser of (1) the
29 amount of any such taxes paid to such other state or states and
30 [allowed] allowable as a credit against the federal generation-skipping
31 transfer tax; or (2) an amount computed by multiplying such federal
32 credit by a fraction, (A) the numerator of which is the value of all
33 transferred real and tangible personal property which is subject to
34 generation-skipping transfer taxes and over which such other state or
35 states have jurisdiction for generation-skipping transfer tax purposes
36 to the same extent to which this state would exert jurisdiction for
37 generation-skipping transfer tax purposes under this chapter with
38 respect to the residents of such other state or states, and (B) the
39 denominator of which is the value of all transferred property which is
40 subject to generation-skipping transfer taxes, wherever located.

41 (b) A tax is hereby imposed upon every generation-skipping
42 transfer, where the original transferor is not a resident of this state at
43 the date of the original transfer but where the generation-skipping
44 transfer includes real or tangible personal property located in this
45 state. The amount of the tax shall be computed by multiplying (1) the
46 federal credit allowable for generation-skipping transfer tax paid to
47 any state or states under the provisions of the federal internal revenue
48 code [in force at the date of such generation-skipping transfer] in effect
49 as of January 1, 2001, in respect to any property included in the
50 generation-skipping transfer by (2) a fraction, (A) the numerator of
51 which is the value of all transferred real and tangible personal
52 property which is subject to generation-skipping transfer taxes, which
53 is located in this state and over which this state has jurisdiction for
54 generation-skipping transfer tax purposes, and (B) the denominator of
55 which is the value of all transferred property which is subject to
56 generation-skipping transfer taxes, wherever located.

57 (c) For purposes of subsections (a) and (b) of this section, (1) the
58 provisions of the internal revenue code in effect as of January 1, 2001,
59 shall apply, and (2) property shall have the same value that it has for
60 federal generation-skipping transfer tax purposes.

61 Sec. 3. Subsections (a) to (c), inclusive, of section 12-391 of the
62 general statutes are repealed and the following is substituted in lieu
63 thereof (*Effective from passage and applicable to estates of decedents who die*
64 *on or after January 1, 2005*):

65 (a) A tax is imposed upon the transfer of the estate of each person
66 who at the time of death was a resident of this state. The amount of the
67 tax shall be the amount of the federal credit allowable for estate,
68 inheritance, legacy and succession taxes paid to any state or the
69 District of Columbia under the provisions of the federal internal
70 revenue code [in force at the date of such decedent's death] in effect as
71 of January 1, 2001, in respect to any property owned by such decedent
72 or subject to such taxes as part of or in connection with the estate of
73 such decedent. If real or tangible personal property of such decedent is

74 located outside of this state and is subject to estate, inheritance, legacy,
75 or succession taxes by any state or states, other than the state of
76 Connecticut, or by the District of Columbia for which such federal
77 credit is allowable, the amount of tax due under this section shall be
78 reduced by the lesser of: (1) The amount of any such taxes paid to such
79 other state or states or said district and [allowed] allowable as a credit
80 against the federal estate tax; or (2) an amount computed by
81 multiplying such federal credit by a fraction, (A) the numerator of
82 which is the value of that part of the decedent's gross estate over which
83 such other state or states or said district have jurisdiction for estate tax
84 purposes to the same extent to which this state would assert
85 jurisdiction for estate tax purposes under this chapter with respect to
86 the residents of such other state or states or said district, and (B) the
87 denominator of which is the value of the decedent's gross estate.
88 Property of a resident estate over which this state has jurisdiction for
89 estate tax purposes includes real property situated in this state,
90 tangible personal property having an actual situs in this state, and
91 intangible personal property owned by the decedent, regardless of
92 where it is located. The amount of any estate tax imposed under this
93 subsection shall also be reduced, but not below zero, by the amount of
94 any tax that is imposed under chapter 216 and that is actually paid to
95 this state.

96 (b) A tax is imposed upon the transfer of the estate of each person
97 who at the time of death was a nonresident of this state, the amount of
98 which shall be computed by multiplying (1) the federal credit
99 allowable for estate, inheritance, legacy, and succession taxes paid to
100 any state or states or the District of Columbia under the provisions of
101 the federal internal revenue code [in force at the date of such
102 decedent's death] in effect as of January 1, 2001, in respect to any
103 property owned by such decedent or subject to such taxes as a part of
104 or in connection with the estate of such decedent by (2) a fraction, (A)
105 the numerator of which is the value of that part of the decedent's gross
106 estate over which this state has jurisdiction for estate tax purposes, and
107 (B) the denominator of which is the value of the decedent's gross

108 estate. Property of a nonresident estate over which this state has
109 jurisdiction for estate tax purposes includes real property situated in
110 this state and tangible personal property having an actual situs in this
111 state. The amount of any estate tax imposed under this subsection shall
112 also be reduced, but not below zero, by the amount of any tax that is
113 imposed under chapter 216 and that is actually paid to this state. The
114 amount calculated under this subsection shall be multiplied by a factor
115 of one and three-tenths and that product shall be the amount of tax
116 due.

117 (c) For purposes of subsections (a) and (b) of this section, (1) the
118 provisions of the internal revenue code in effect as of January 1, 2001,
119 shall apply, except that the applicable exclusion amount under Section
120 2010(c) of the Internal Revenue Code shall be one million dollars; and
121 (2) "gross estate" means the gross estate, for federal estate tax purposes.

122 Sec. 4. Subdivision (3) of subsection (b) of section 12-392 of the
123 general statutes is repealed and the following is substituted in lieu
124 thereof (*Effective from passage and applicable to estates of decedents who die*
125 *on or after January 1, 2005*):

126 (3) A tax return shall be filed, in the case of every decedent who at
127 the time of death was (A) a resident of this state or (B) a nonresident of
128 this state whose gross estate includes any real property situated in this
129 state or tangible personal property having an actual situs in this state,
130 whenever the personal representative of the estate is required by the
131 laws of the United States to file a federal estate tax return or whenever
132 tax is otherwise due under this chapter. The duly authorized executor
133 or administrator shall file the return. If there is more than one executor
134 or administrator, the return shall be made jointly by all. If there is no
135 executor or administrator appointed, qualified and acting, each person
136 in actual or constructive possession of any property of the decedent is
137 constituted an executor for purposes of the tax and shall make and file
138 a return. If in any case the executor is unable to make a complete
139 return as to any part of the gross estate, the executor shall provide all
140 the information available to him with respect to such property,

141 including a full description, and the name of every person holding a
142 legal or beneficial interest in the property. If the executor is unable to
143 make a return as to any property, each person holding a legal or
144 equitable interest in such property shall, upon notice from the
145 commissioner, make a return as to that part of the gross estate."

This act shall take effect as follows:	
Section 1	<i>from passage and applicable to transfers and distributions occurring on or after January 1, 2005</i>
Sec. 2	<i>from passage and applicable to transfers and distributions occurring on or after January 1, 2005</i>
Sec. 3	<i>from passage and applicable to estates of decedents who die on or after January 1, 2005</i>
Sec. 4	<i>from passage and applicable to estates of decedents who die on or after January 1, 2005</i>